

**ASSEMBLY BILL**

**No. 44**

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**Introduced by Assembly Member Charles Calderon**

September 2, 2011

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An act to add Section 11005.7 to the Revenue and Taxation Code, relating to local government finance, and making an appropriation therefor.

LEGISLATIVE COUNSEL'S DIGEST

AB 44, as introduced, Charles Calderon. Local government finance: vehicle license fee revenues: allocations.

The Vehicle License Fee Law establishes, in lieu of any ad valorem property tax upon vehicles, an annual license fee for any vehicle subject to registration in this state. Under existing law, the Controller is required to allocate vehicle license fee revenues in the Motor Vehicle License Fee Account according to a specified order, with moneys allocated on or after July 1, 2004, but before July 1, 2011, first to the County of Orange, next to each city and county meeting specified criteria, and on or after July 1, 2011, to the Local Law Enforcement Services Account in the Local Revenue Fund, for allocation to cities, counties, and cities and counties.

This bill would provide, until July 1, 2017, any city formed by application for incorporation prior to July 1, 2011, as provided, to be allocated an amount of vehicle license fee revenues that would otherwise have been allocated to that city pursuant to a specified provision prior to its amendment, as specified. By authorizing revenues within the Local Law Enforcement Services Account in the Local Revenue Fund 2011, a continuously appropriated fund, to be used for a new purpose, this bill would make an appropriation.

This bill would become operative if either of two specified events do not occur before January 1, 2012.

The California Constitution authorizes the Governor to declare a fiscal emergency and to call the Legislature into special session for that purpose. Governor Schwarzenegger issued a proclamation declaring a fiscal emergency, and calling a special session for this purpose, on December 6, 2010. Governor Brown issued a proclamation on January 20, 2011, declaring and reaffirming that a fiscal emergency exists and stating that his proclamation supersedes the earlier proclamation for purposes of that constitutional provision.

This bill would state that it addresses the fiscal emergency declared and reaffirmed by the Governor by proclamation issued on January 20, 2011, pursuant to the California Constitution.

Vote:  $\frac{2}{3}$ . Appropriation: yes. Fiscal committee: yes.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

- 1 SECTION 1. Section 11005.7 is added to the Revenue and
- 2 Taxation Code, to read:
- 3 11005.7. (a) Notwithstanding any other law, upon successful
- 4 incorporation, any city formed by application for incorporation
- 5 filed with the executive officer of the local agency formation
- 6 commission pursuant to subdivision (a) of Section 56828 of the
- 7 Government Code prior to July 1, 2011, shall, until July 1, 2017,
- 8 be allocated an amount of vehicle license fee revenues that would
- 9 otherwise have been allocated to that city pursuant to Section
- 10 11005 prior to its amendment by Section 9 of Chapter 35 of the
- 11 Statutes of 2011.
- 12 (b) In the case of a city that was incorporated from
- 13 unincorporated territory after July 1, 2011, the Controller shall
- 14 determine the population of the city as follows:
- 15 (1) For the first 12 months, 150 percent of the city's actual
- 16 population.
- 17 (2) For the 13th through 24th month, 140 percent of the city's
- 18 actual population.
- 19 (3) For the 25th through 36th month, 130 percent of the city's
- 20 actual population.
- 21 (4) For the 37th through 48th month, 120 percent of the city's
- 22 actual population.

1 (5) For the 49th through 60th month, 110 of the city's actual  
2 population.

3 (6) After the 60th month, the city's actual population.

4 (c) For purposes of this section, "actual population" means the  
5 population determined by the last federal decennial or special  
6 census, or a subsequent census validated by the Demographic  
7 Research Unit of the Department of Finance or subsequent estimate  
8 prepared pursuant to Section 2107.2 of the Streets and Highways  
9 Code.

10 (d) This section shall not be construed to alter or override  
11 paragraph (1) of subdivision (c) of Section 56815 of the  
12 Government Code.

13 (e) This section shall become operative only if either of the  
14 following does not occur before January 1, 2012:

15 (1) The local agency formation commission finds that the two  
16 quantities described in paragraphs (1) and (2) of subdivision (b)  
17 of Section 56815 of the Government Code are substantially equal  
18 with respect to a proposal that includes an incorporation for the  
19 City of East Los Angeles.

20 (2) The local agency formation commission finds the conditions  
21 described in subdivision (c) of Section 56815 of the Government  
22 Code with respect to a proposal that includes an incorporation for  
23 the City of East Los Angeles.

24 SEC. 2. This act addresses the fiscal emergency declared and  
25 reaffirmed by the Governor by proclamation on January 20, 2011,  
26 pursuant to subdivision (f) of Section 10 of Article IV of the  
27 California Constitution.

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